

CITY OF SPEARVILLE, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Spearville, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Spearville, Kansas, as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the City of Spearville, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Spearville, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Spearville, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Spearville, Kansas as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated August 7, 2017, which contained an unmodified opinion on the basic financial statement. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended December 31, 2017 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2016, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

September 11, 2018

CITY OF SPEARVILLE, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2017

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
General fund	\$ 347,387	\$ -
Special purpose funds:		
Special street	19,883	-
Capital improvement	100,913	-
Crime stoppers	1,206	-
Community development	300,134	-
Woodbury trust	21,266	-
Community sign	180	-
Laudick estate	200,229	-
Tom Feist foundation	54,435	-
Equipment reserve	-	-
Total special purpose funds	698,246	-
Bond and interest fund:		
Bond and interest	36,810	-
Capital project fund:		
Temporary notes special project	31,786	-
Business funds:		
Gas utility	161,523	-
Water utility	567,678	-
Sewer utility	18,559	-
Sanitation utility	33,306	-
Gas utility reserve	20,000	-
Water capital outlay	360,752	-
Total business funds	1,161,818	-
Total - excluding agency funds	\$ 2,276,047	\$ -
Composition of cash balance:		
Checking accounts		
Money market accounts		
Savings accounts		
Certificates of deposit		
Petty cash		
Total cash		
Agency funds		
Total cash - excluding agency funds		

The notes to the financial statement are an integral part of this statement.

STATEMENT 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
<u>\$ 387,796</u>	<u>\$ 429,570</u>	<u>\$ 305,613</u>	<u>\$ -</u>	<u>\$ 305,613</u>
21,537	35,936	5,484	-	5,484
32,408	-	133,321	-	133,321
12	-	1,218	-	1,218
59,569	1,373	358,330	-	358,330
121	-	21,387	-	21,387
-	180	-	-	-
1,193	-	201,422	-	201,422
321,600	127,340	248,695	-	248,695
82,000	-	82,000	-	82,000
<u>518,440</u>	<u>164,829</u>	<u>1,051,857</u>	<u>-</u>	<u>1,051,857</u>
<u>3,006</u>	<u>599</u>	<u>39,217</u>	<u>-</u>	<u>39,217</u>
<u>292,299</u>	<u>324,085</u>	<u>-</u>	<u>-</u>	<u>-</u>
205,782	202,866	164,439	-	164,439
218,519	174,405	611,792	-	611,792
74,752	71,149	22,162	-	22,162
63,462	77,919	18,849	-	18,849
15,000	-	35,000	-	35,000
77,551	70,241	368,062	-	368,062
<u>655,066</u>	<u>596,580</u>	<u>1,220,304</u>	<u>-</u>	<u>1,220,304</u>
<u>\$ 1,856,607</u>	<u>\$ 1,515,663</u>	<u>\$ 2,616,991</u>	<u>\$ -</u>	<u>\$ 2,616,991</u>
				\$ 1,714,464
				201,422
				689,480
				19,180
				<u>100</u>
				2,624,646
				<u>7,655</u>
				<u>\$ 2,616,991</u>

CITY OF SPEARVILLE, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

The City of Spearville is a municipal corporation governed by an elected mayor and five-member council. The City has no related municipal entities.

2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2017:

REGULATORY BASIS FUND TYPES

General fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources (including tax levies, transfers from other funds) and payment of general long-term debt.

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business funds – funds financed in whole or in part by fees charged to users of the goods or services.

Agency funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for utility reserve funds, agency funds, capital project fund or the Capital Improvement, Crime Stoppers, Community Development, Woodbury Trust, Community Sign, Laudick Estate, Tom Feist Foundation, and Equipment Reserve special purpose funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not have any designated "peak periods".

At December 31, 2017 the carrying amount of the City's deposits, including certificates of deposit, was \$2,624,546 and the bank balance was \$2,667,798. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$1,667,798 was collateralized with securities held by the pledging financial institutions agents in the City's name.

C. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2017, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
Water Improvements					
Issued April 27, 2010					
In the amount of \$1,506,000					
At interest rate of 4.125%					
Maturing April 27, 2048	\$1,225,228	\$ -	\$ 19,700	\$1,205,528	\$ 50,541
Street Improvements					
Issued July 31, 2017					
In the amount of \$78,000					
At interest rate of 4.250%					
Maturing September 1, 2032	-	78,000	-	78,000	-
Total general obligation bonds	<u>1,225,228</u>	<u>78,000</u>	<u>19,700</u>	<u>1,283,528</u>	<u>50,541</u>
Temporary notes:					
FNB					
Issued July 28, 2016					
In the amount of \$160,000					
At interest rate of 1.265%					
Maturing August 1, 2017	160,000	-	160,000	-	2,041
FCSB					
Issued July 28, 2016					
In the amount of \$160,000					
At interest rate of 1.265%					
Maturing August 1, 2017	<u>160,000</u>	<u>-</u>	<u>160,000</u>	<u>-</u>	<u>2,041</u>
Total temporary notes	<u>320,000</u>	<u>-</u>	<u>320,000</u>	<u>-</u>	<u>4,082</u>
Total long-term debt	<u>\$1,545,228</u>	<u>\$ 78,000</u>	<u>\$ 339,700</u>	<u>\$1,283,528</u>	<u>\$ 54,623</u>

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2018	\$ 24,500	\$ 53,319	\$ 77,819
2019	25,300	52,027	77,327
2020	26,200	50,979	77,179
2021	27,100	49,893	76,993
2022	28,100	48,770	76,870
2023-2027	162,000	225,139	387,139
2028-2032	198,300	188,700	387,000
2033-2037	203,600	147,240	350,840
2038-2042	249,100	101,638	350,738
2043-2047	305,000	45,835	350,835
2048	<u>34,328</u>	<u>1,416</u>	<u>35,744</u>
Total	<u>\$ 1,283,528</u>	<u>\$ 964,956</u>	<u>\$ 2,248,484</u>

D. INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory authority</u>	<u>Amount</u>
Water utility	Water capital outlay	K.S.A. 12-825d	\$ 29,160
General	Equipment reserve	K.S.A. 12-1,117	42,000
General	Capital improvement	K.S.A. 12-1,118	31,254
Gas utility	Gas utility reserve	K.S.A. 12-825d	15,000
Water utility	Equipment reserve	K.S.A. 12-825d	20,000
Sanitation utility	Equipment reserve	K.S.A. 12-825d	<u>20,000</u>
			<u>\$ 157,414</u>

E. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other post employment benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Vacation leave – Twelve working days per year are allowed as vacation leave to regular full time City employees with one to five years of employment and eighteen working days per year are allowed for employment of six years or more. If not used by year-end, these days are lost.

Sick leave – Sick leave for regular full time employees is earned at a rate of one day per month and may accrue up to a maximum of sixty days. Unused sick leave will not be paid upon termination or resignation.

F. DEFINED BENEFIT PENSION PLAN

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

F. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by the City and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$15,342 for the year ended December 31, 2017.

Net pension liability. At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$141,442. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at www.kpers.org or can be obtained as described above.

G. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical needs of employees. The City purchases commercial insurance to cover health, property, liability, and worker's compensation claims. There has been no reduction in coverage from the prior year and settlements have not exceeded coverage in the past three years.

H. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 11, 2018, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SPEARVILLE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund	\$ 499,000	\$ -	\$ 499,000	\$ 429,570	\$ 69,430
Special purpose fund:					
Special street	40,000	-	40,000	35,936	4,064
Bond and interest fund:					
Bond and interest	36,000	-	36,000	599	35,401
Business funds:					
Gas utility	500,000	-	500,000	202,866	297,134
Water utility	550,241	-	550,241	174,405	375,836
Sewer utility	95,000	-	95,000	71,149	23,851
Sanitation utility	94,000	-	94,000	77,919	16,081
Total	<u>\$ 1,814,241</u>	<u>\$ -</u>	<u>\$ 1,814,241</u>	<u>\$ 992,444</u>	<u>\$ 821,797</u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 116,792	\$ 119,880	\$ 121,095	\$ (1,215)
Delinquent tax	339	2,775	500	2,275
Motor vehicle tax	29,515	33,211	30,955	2,256
Recreational vehicle tax	532	501	458	43
16/20M truck tax	-	-	246	(246)
Commercial vehicle tax	1,321	2,473	447	2,026
Watercraft tax	-	-	168	(168)
Sales tax	93,628	94,709	93,000	1,709
State and federal grants	-	42,271	-	42,271
Licenses and permits	3,498	5,014	1,500	3,514
Fines	1,181	120	500	(380)
Charges for services	3,000	5,950	1,500	4,450
Franchise fees	41,315	41,768	40,000	1,768
Interest	7,256	17,785	234	17,551
Miscellaneous	3,157	21,339	-	21,339
Total receipts	<u>301,534</u>	<u>387,796</u>	<u>\$ 290,603</u>	<u>\$ 97,193</u>
Expenditures:				
General government	88,285	86,454	\$ 135,000	\$ 48,546
Public safety	95,271	152,016	130,000	(22,016)
Highways and streets	-	117,846	203,000	85,154
Transfer to capital improvement	30,897	31,254	31,000	(254)
Transfer to equipment reserve	-	42,000	-	(42,000)
Total expenditures	<u>214,453</u>	<u>429,570</u>	<u>\$ 499,000</u>	<u>\$ 69,430</u>
Receipts over (under) expenditures	87,081	(41,774)		
Unencumbered cash, beginning of year	<u>260,306</u>	<u>347,387</u>	<u>\$ 208,397</u>	<u>\$ 138,990</u>
Unencumbered cash, end of year	<u>\$ 347,387</u>	<u>\$ 305,613</u>		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

SPECIAL STREET FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		
	2016	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Gasoline tax	\$ 21,373	\$ 21,272	\$ 20,920	\$ 352
Charges for services	225	265	-	265
Total receipts	21,598	21,537	<u>\$ 20,920</u>	<u>\$ 617</u>
Expenditures:				
Street maintenance	20,224	35,936	<u>\$ 40,000</u>	<u>\$ 4,064</u>
Receipts over (under) expenditures	1,374	(14,399)		
Unencumbered cash, beginning of year	18,509	19,883	<u>\$ 19,080</u>	<u>\$ 803</u>
Unencumbered cash, end of year	<u>\$ 19,883</u>	<u>\$ 5,484</u>		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Transfer from general	\$ 30,897	\$ 31,254
Interest	<u>323</u>	<u>1,154</u>
Total receipts	31,220	32,408
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	31,220	32,408
Unencumbered cash, beginning of year	<u>69,693</u>	<u>100,913</u>
Unencumbered cash, end of year	<u><u>\$ 100,913</u></u>	<u><u>\$ 133,321</u></u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

CRIME STOPPERS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Interest and donations	\$ 64	\$ 12
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	64	12
Unencumbered cash, beginning of year	<u>1,142</u>	<u>1,206</u>
Unencumbered cash, end of year	<u><u>\$ 1,206</u></u>	<u><u>\$ 1,218</u></u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

COMMUNITY DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Loan principal	\$ 44,222	\$ 51,030
Interest	<u>8,661</u>	<u>8,539</u>
Total receipts	<u>52,883</u>	<u>59,569</u>
Expenditures:		
Administrative	2,749	1,373
Return funds to State	<u>92,286</u>	<u>-</u>
Total expenditures	<u>95,035</u>	<u>1,373</u>
Receipts over (under) expenditures	(42,152)	58,196
Unencumbered cash, beginning of year	<u>342,286</u>	<u>300,134</u>
Unencumbered cash, end of year	<u><u>\$ 300,134</u></u>	<u><u>\$ 358,330</u></u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

WOODBURY TRUST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Interest	\$ 93	\$ 121
Expenditures:		
Donations	<u>600</u>	<u>-</u>
Receipts over (under) expenditures	(507)	121
Unencumbered cash, beginning of year	<u>21,773</u>	<u>21,266</u>
Unencumbered cash, end of year	<u><u>\$ 21,266</u></u>	<u><u>\$ 21,387</u></u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

COMMUNITY SIGN FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts	\$ -	\$ -
Expenditures:		
Miscellaneous	<u>-</u>	<u>180</u>
Receipts over (under) expenditures	-	(180)
Unencumbered cash, beginning of year	<u>180</u>	<u>180</u>
Unencumbered cash, end of year	<u><u>\$ 180</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

LAUDICK ESTATE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Interest	\$ 627	\$ 1,193
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	627	1,193
Unencumbered cash, beginning of year	<u>199,602</u>	<u>200,229</u>
Unencumbered cash, end of year	<u><u>\$ 200,229</u></u>	<u><u>\$ 201,422</u></u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

TOM FEIST FOUNDATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Donations	<u>\$ 40,000</u>	<u>\$ 321,600</u>
Expenditures:		
Contractual services	11,973	3,205
Commodities	-	1,000
Capital outlay	263,867	123,135
Grants to others	<u>25,000</u>	<u>-</u>
Total expenditures	<u>300,840</u>	<u>127,340</u>
Receipts over (under) expenditures	(260,840)	194,260
Unencumbered cash, beginning of year	<u>315,275</u>	<u>54,435</u>
Unencumbered cash, end of year	<u><u>\$ 54,435</u></u>	<u><u>\$ 248,695</u></u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS**EQUIPMENT RESERVE FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

For the Year Ended December 31, 2017

Receipts:

Transfer from general	\$ 42,000
Transfer from water utility	20,000
Transfer from sanitation utility	<u>20,000</u>

Total receipts	82,000
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Expenditures

-

Receipts over (under) expenditures

82,000

Unencumbered cash, beginning of year

-

Unencumbered cash, end of year

<u>\$ 82,000</u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes:				
Delinquent tax	\$ -	\$ -	\$ 250	\$ (250)
Special assessments	2,933	3,006	623	2,383
Total receipts	2,933	3,006	\$ 873	\$ 2,133
Expenditures:				
Debt service:				
Principal	-	-	\$ 36,000	\$ 36,000
Interest and commission	-	599	-	(599)
Total expenditures	-	599	\$ 36,000	\$ 35,401
Receipts over (under) expenditures	2,933	2,407		
Unencumbered cash, beginning of year	33,877	36,810	\$ 35,127	\$ 1,683
Unencumbered cash, end of year	\$ 36,810	\$ 39,217		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

TEMPORARY NOTES SPECIAL PROJECT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Temporary note proceeds	\$ 320,000	\$ -
Bond proceeds	-	78,000
Taxpayer receipts	-	96,453
City's share	-	117,846
	<u>320,000</u>	<u>292,299</u>
Total receipts		
Expenditures:		
Contractual services	21,697	-
Capital outlay	266,517	-
Debt service:		
Principal	-	320,000
Interest	-	4,082
Fees	-	3
	<u>288,214</u>	<u>324,085</u>
Total expenditures		
Receipts over (under) expenditures	31,786	(31,786)
Unencumbered cash, beginning of year	-	31,786
	<u>\$ 31,786</u>	<u>\$ -</u>
Unencumbered cash, end of year		

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

GAS UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Customer charges	\$ 163,257	\$ 205,782	\$ 350,000	\$ (144,218)
Expenditures:				
Personal services	53,310	56,629	\$ 75,000	\$ 18,371
Contractual services	103,337	124,126	330,000	205,874
Commodities	6,567	7,081	20,000	12,919
Capital outlay	2,963	30	25,000	24,970
Transfer to gas utility reserve	-	15,000	50,000	35,000
Total expenditures	166,177	202,866	\$ 500,000	\$ 297,134
Receipts over (under) expenditures	(2,920)	2,916		
Unencumbered cash, beginning of year	164,443	161,523	\$ 154,443	\$ 7,080
Unencumbered cash, end of year	\$ 161,523	\$ 164,439	\$ 4,443	\$ 159,996

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Customer charges	\$ 228,103	\$ 218,519	\$ 250,000	\$ (31,481)
Expenditures:				
Personal services	45,883	55,634	\$ 75,000	\$ 19,366
Contractual services	40,385	45,613	50,000	4,387
Commodities	9,731	12,612	40,000	27,388
Capital outlay	1,294	11,386	285,000	273,614
Debt service:				
Principal	-	-	19,700	19,700
Interest	-	-	50,541	50,541
Transfer to water capital outlay	29,160	29,160	30,000	840
Transfer to equipment reserve	-	20,000	-	(20,000)
Total expenditures	126,453	174,405	\$ 550,241	\$ 375,836
Receipts over (under) expenditures	101,650	44,114		
Unencumbered cash, beginning of year	466,028	567,678	\$ 336,648	\$ 231,030
Unencumbered cash, end of year	\$ 567,678	\$ 611,792	\$ 36,407	\$ 575,385

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance favorable (unfavorable)
	2016	Actual	Budget	
Receipts:				
Customer charges	\$ 74,882	\$ 74,752	\$ 80,000	\$ (5,248)
Expenditures:				
Personal services	53,219	56,903	\$ 55,000	\$ (1,903)
Contractual services	17,700	13,658	15,000	1,342
Commodities	319	588	10,000	9,412
Capital outlay	-	-	15,000	15,000
Total expenditures	71,238	71,149	\$ 95,000	\$ 23,851
Receipts over (under) expenditures	3,644	3,603		
Unencumbered cash, beginning of year	14,915	18,559	\$ 15,915	\$ 2,644
Unencumbered cash, end of year	\$ 18,559	\$ 22,162	\$ 915	\$ 21,247

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

SANITATION UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance favorable (unfavorable)
	2016	Actual	Budget	
Receipts:				
Customer charges	\$ 62,905	\$ 63,462	\$ 65,000	\$ (1,538)
Expenditures:				
Contractual services	57,141	55,519	\$ 65,000	\$ 9,481
Commodities	-	-	4,000	4,000
Capital outlay	-	2,400	25,000	22,600
Transfer to equipment reserve	-	20,000	-	(20,000)
Total expenditures	57,141	77,919	\$ 94,000	\$ 16,081
Receipts over (under) expenditures	5,764	(14,457)		
Unencumbered cash, beginning of year	27,542	33,306	\$ 29,042	\$ 4,264
Unencumbered cash, end of year	\$ 33,306	\$ 18,849	\$ 42	\$ 18,807

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS**GAS UTILITY RESERVE FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Transfer from gas utility	\$ -	\$ 15,000
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	15,000
Unencumbered cash, beginning of year	<u>20,000</u>	<u>20,000</u>
Unencumbered cash, end of year	<u><u>\$ 20,000</u></u>	<u><u>\$ 35,000</u></u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

WATER CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Cash rent and leases	\$ 77,034	\$ 48,391
Transfers from water utility	<u>29,160</u>	<u>29,160</u>
Total receipts	<u>106,194</u>	<u>77,551</u>
Expenditures:		
Debt service:		
Principal	18,900	19,700
Interest	<u>51,320</u>	<u>50,541</u>
Total expenditures	<u>70,220</u>	<u>70,241</u>
Receipts over (under) expenditures	35,974	7,310
Unencumbered cash, beginning of year	<u>324,778</u>	<u>360,752</u>
Unencumbered cash, end of year	<u><u>\$ 360,752</u></u>	<u><u>\$ 368,062</u></u>

See Independent Auditor's Report.

CITY OF SPEARVILLE, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended December 31, 2017

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Utility deposits	\$ 7,760	\$ 2,400	\$ 2,530	\$ 7,630
RHID construction	4,055	26,470	30,500	25
	<u>\$ 11,815</u>	<u>\$ 28,870</u>	<u>\$ 33,030</u>	<u>\$ 7,655</u>

See Independent Auditor's Report.